





## Proposition 1B: Goods Movement Emission Reduction Program

2010 Funding Awards



June 24, 2010





**Air Resources Board** 

**California Environmental Protection Agency** 

## **Board Actions Today**

Phase 1

Award funds

\$200M available

Phase 2

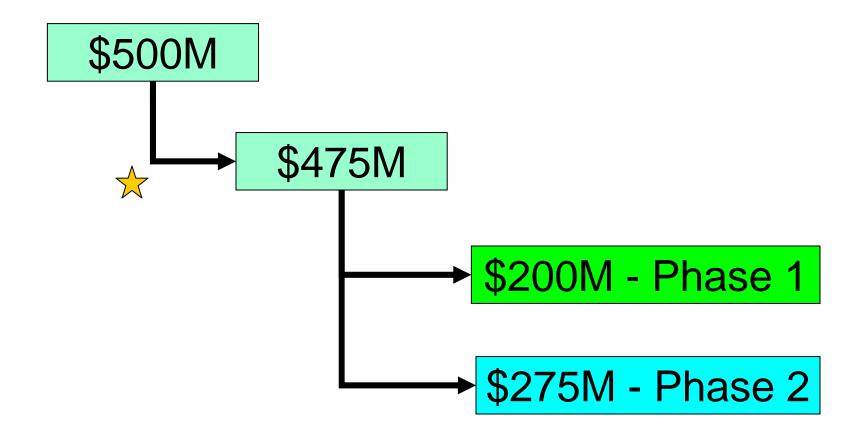
Tentatively allocate

\$275M expected

## Prop 1B: Goods Movement Emission Reduction Program

- \$1B to reduce emissions from freight transport in the four priority trade corridors
- Goal: reduce emissions/risk as quickly as possible in heavily impacted communities
- Achieve early or extra reductions from diesel trucks, locomotives, ship berths, cargo equipment, and harbor craft

#### FY 2008-09 and FY 2009-10 Funds



★ \$25 million reserved for ARB administration (5%)

## **ARB Administrative Funding**

- Reserve maximum 5% allowed for now
- Cover multiple years of staffing/contracts
- Cover audit costs by other state agencies
- Incur higher costs to administer truck loans
- Hold additional funds for possible trucker assistance centers
- Redirect unneeded funds to truck grants

## **Applications for \$475M**

Trade Corridor	Funds Requested
Los Angeles/Inland Empire	\$529M
Central Valley	\$449M
Bay Area	\$ 88M
San Diego/Border	\$ 31M
ARB Truck Loans	\$ 50M
Total	>\$ 1B

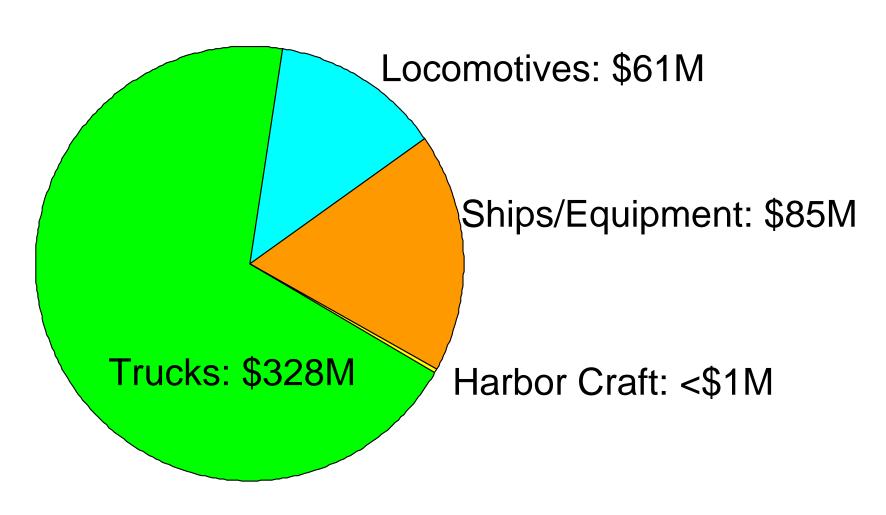
#### **Basis for Recommendations**

- Category and corridor funding targets
- Board priorities
- Local agency requests
- Local agency readiness

## **Starting Point for Recommendations**

Recommended Allocation					
Corridor	Target	Bond \$			
Truck Loan Program	N/A	\$ 50.0M			
Los Angeles/Inland Empire	55%	\$233.7M			
Central Valley	25%	\$106.2M			
Bay Area	14%	\$ 59.5M			
San Diego/Border	6%	\$ 25.5M			
Total 100% \$475.0N					

# Recommendations by Category (\$475M)



## **Truck Loan Assistance Program**

- Owners need additional access to financing opportunities
- Provide funding for direct loans and loan guarantees for smaller fleets (1-20 trucks)
- Funds from Phase 2

# Los Angeles/Inland Empire Trade Corridor (\$233.7M)

## **Approach for LA/Inland Empire**

- Received 2 applications for ships at berth
  - South Coast Air District \$55.6M
  - Oxnard Harbor District \$5.5M
- Fully fund both requests and recommend South Coast as grant administrator

# Recommendations: Los Angeles/Inland Empire

Category	Award Phase 1	Allocate Phase 2	Local Agency
Trucks	\$ 42.5M	\$ 99.0M	
Locomotives	\$ 6.2M	\$ 24.7M	South Coast
Ships/Equip.	\$ 61.3M		
Total*	\$110.0M	\$123.7M	

\*Corridor share: \$233.7M total



## **Approach for San Diego/Border**

- Concern about capacity to begin new truck grants in Summer 2010
- San Diego & Imperial Districts
  - Limited staffing resources
  - Substantial work left on year one grants
- Defer most truck funding to Phase 2
- Provide the full corridor allocation for Phase 1 + Phase 2 combined

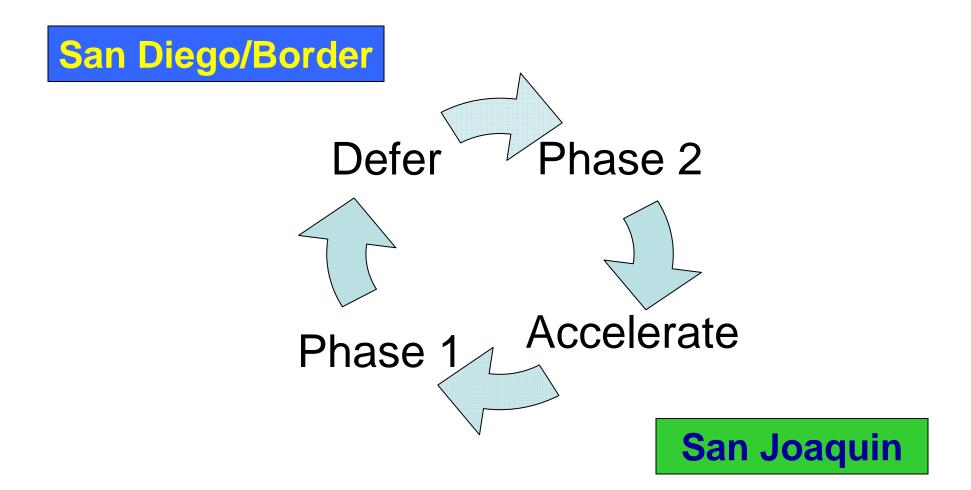
# Recommendations: San Diego/Border

Category	Award Phase 1	Allocate Phase 2	Local Agency
Trucks		\$22.0M	San Diego
Trucks	\$3.0M	φ <b>ΖΖ.</b> ΟΙ۷Ι	Imperial
Harbor Craft	\$0.5M		San Diego
Total*	\$3.5M	\$22.0M	

\*Corridor share: \$25.5M total

# Central Valley Trade Corridor (\$106.2M)

#### **Temporarily Redirected Truck Funds**



## Recommendations: Central Valley

Category	Award Phase 1	Allocate Phase 2	Local Agency
Trucko	\$48.5M		San Joaquin
Trucks	\$10.0M	\$20.0M	Sacramento
Locomotives		\$20.0M	San Joaquin
		\$ 7.7M	Sacramento
Total*	\$58.5M	\$47.7M	

<sup>\*</sup>Corridor share: \$106.2M total



## **Approach for Bay Area**

Category	Request	Proposal
Trucks	\$45.0M	\$33.3M
Locomotives	\$ 3.9M	\$ 2.3M
Ships/Equip.	\$39.1M	\$23.9M
Total	\$88.0M	\$59.5M

# Recommendations: <u>Bay Area</u>

Category	Award Phase 1	Allocate Phase 2	Local Agency
Trucks	\$ 8.0M	\$25.3M	
Locomotives		\$ 2.3M	Bay Area
Ships/Equip.	\$20.0M	\$ 3.9M	
Total*	\$28.0M	\$31.5M	

\*Corridor share: \$59.5M total

## **Shore Power Requirements**

- Multi-year design and build projects
- Regulatory deadlines
- Statutory funding deadlines
  - Develop supplemental procedures
- Undersubscribed solicitations
  - Funds redirected to truck or locomotive grants

# Recommendations and Benefits by Trade Corridor

Reductions (tons) **Trade Corridor** Bond \$ PM NOx 1,100 35,100 LA/Inland Empire \$233.7M Central Valley \$106.2M 710 14,000 59.5M 6,700 Bay Area 180 San Diego/ Border 2,900 25.5M 100 \$ 50.0M Included above All (Loan Program) \$ 475M\* 2,090 58,700 **Total** 

<sup>\*</sup> Leverages \$550M in matching funds

## <u>Issues</u>

- Funding for shore power projects at the Port of Oakland
- Deferral of most San Diego/Border truck funding to Phase 2
  - Redirection to San Joaquin Valley

## **Cumulative Program Funding**

## (with proposed allocations)

	Trade Corridor (funding in millions)					
Funding Category	LA	Valley	Bay Area	San Diego	AII	Total
Truck	\$274.3	\$130.0	\$64.8	\$39.6	\$50	\$558.7
Locomotive	\$34.0	\$38.0	\$2.3			\$74.3
Ship/equip.	\$61.3		\$26.8			\$88.1
Harbor craft				\$0.5		\$0.5
ARB admin				-		28.4
Total	\$369.6	\$168.0	\$93.9	\$40.1	\$50	\$750.0
Corridor %	55%	25%	14%	6%		

#### **Recommendation for Board Action**

- Adopt Resolution 10-27
  - Identifies primary and backup agency projects for Phase 1, tentative allocations for Phase 2
  - Directs staff to develop supplemental procedures for shore power projects